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COPY NO. 5

N.I.A. 3

27 March 1946

NATIONAL INTELLIGENCE AUTHORITY

POLICY ON LIQUIDATION OF THE STRATEGIC SERVICES UNIT

Report by the Director of Central Intelligence
with the unanimous concurrence of the
Intelligence Advisory Board

NSC review completed.

1. The Executive Order of 20 September 1945, referring to functions of the Office of Strategic Services which were transferred to the War Department, stated: "The Secretary of War shall, whenever he deems it compatible with the national interest, discontinue and wind up all affairs relating thereto." At a meeting of intelligence representatives held in the War Department on 8 February, it was generally agreed that an authoritative group should promptly make a study to determine which functions and facilities of the Strategic Services Unit (SSU) should be preserved for permanent peacetime purposes after the liquidation of SSU. It was further agreed that prompt decisions should be reached as to which preserved functions should be operated by C.I.G., and which by departments or existing agencies.

2. The Central Intelligence Group is preparing a separate action for the purpose of initiating a comprehensive survey of existing facilities for the collection of foreign intelligence information. However, that survey will necessarily be a long-range matter, whereas the disposition of SSU raises urgent questions which should be decided immediately. Therefore, an interdepartmental committee was formed to survey the Strategic Services Unit and make recommendations as to its immediate disposition.

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3. Based on the recommendations contained in the report of this interdepartmental committee, the enclosed draft directives were prepared as a means of implementing those recommendations.

4. The enclosed directives have been unanimously agreed upon by the Director of Central Intelligence and the Intelligence Advisory Board, which included the Director of the Federal Bureau of Investigation as a member for the consideration of this matter.

5. It is therefore recommended that:

a. The National Intelligence Authority approve the draft directive in Enclosure A; and

b. Concurrently, the Secretary of War approve and issue the draft directive in Enclosure B.

6. Arrangements for a meeting of the National Intelligence Authority, at which the above recommendations may be considered, will be made by subsequent communication.

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ENCLOSURE A

D R A F T

N.I.A. DIRECTIVE NO. _____

POLICY ON LIQUIDATION OF THE STRATEGIC SERVICES UNIT

References: A. The Executive Order of 20 September 1945, subject: "Termination of the Office of Strategic Services and Disposition of Its Functions"

B. C.I.G. Directive No. 1

Pursuant to paragraph 1 of the letter from the President dated 22 January 1946 which designated this Authority as responsible for planning, developing and coordinating the Federal foreign intelligence activities so as to assure the most effective accomplishment of the intelligence mission related to the national security, the following policies and procedures relating to the liquidation of the Strategic Services Unit (SSU) are announced;

1. The national interest demands that the complete liquidation of SSU shall not be accomplished until it is determined which of its functions and activities are required for the permanent Federal foreign intelligence program, and should therefore be transferred to the Central Intelligence Group or other agencies in order that its useful assets may not be lost. Such determination and transfers shall be made and the liquidation of the remainder of SSU shall be completed as promptly as possible and prior to 1 July 1947. The Director of Central Intelligence shall issue the necessary directives to effect the liquidation. He will make recommendations to this Authority as to the Intelligence activities permanently required in the peace-time effort.

2. During the period of liquidation the SSU should be administered and operated so as to service, to the extent

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Enclosure A

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practicable, the intelligence agencies subject to our coordination. The Director of Central Intelligence shall issue the necessary directives to the Director of SSU required to accomplish this mission. In addition, the Director of SSU will make available to the Director of Central Intelligence, upon his request, any facilities and services of SSU which may be useful in the performance of an authorized function of the Central Intelligence Group.

3. The Director of Central Intelligence will be responsible for determining which funds, personnel and facilities of SSU are required for the performance of an authorized function of the Central Intelligence Group. Such funds, personnel and facilities of SSU will then be transferred to an appropriate War Department unit. The Director of Central Intelligence will be responsible for making the necessary administrative arrangements and for issuing the necessary directives to the Director of SSU.

4. The War Department will take the necessary budgetary action to carry out this program.

5. The War Department shall retain the right to determine what portion of War Department funds, personnel and facilities can be made available to SSU by the War Department.

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Enclosure A

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ENCLOSURE B

D R A F T

PROPOSED DIRECTIVE FROM THE SECRETARY OF WAR TO THE
DIRECTOR OF THE STRATEGIC SERVICES UNIT

Effective immediately, you are directed to continue the liquidation of the Strategic Services Unit (SSU) as ordered in paragraph 3 of the Executive Order dated 20 September 1945, subject: "Termination of the Office of Strategic Services and Disposition of Its Functions". The liquidation will be completed not later than 30 June 1947.

The liquidation of SSU will be coordinated with the development of the permanent peace-time intelligence program. You will carry out the liquidation in accordance with instructions of the Director of Central Intelligence or his designated representative. The Director or his representative will deal directly with you. He will have such staff as he requires working with SSU.

During the period of liquidation you will administer and operate the SSU so as to service ^{within your capability} the intelligence agencies subject to coordination by the National Intelligence Authority in accordance with directives provided by the Director of Central Intelligence or his designated representative. In addition, you will make available to the Director of Central Intelligence, upon his request, any facilities and services ^{within your capability} of SSU which may be useful in the performance of an authorized function of the Central Intelligence Group.

Previous War Department instructions relating to this problem are amended accordingly.

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Enclosure B